Government of Saskatchewan

Annual Report 1983

Saskatchewan Liquor Board Superannuation Commission

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Government of Saskatchewan

Annual Report 1983

Thirty-Ninth Annual Report of the Saskatchewan Liquor Board Superannuation Commission

for the year ended

December 31, 1983

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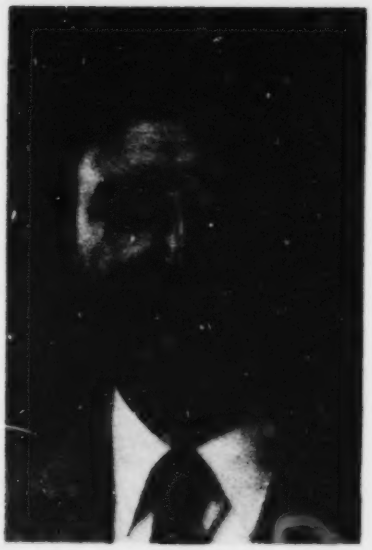


Regina, Saskatchewan

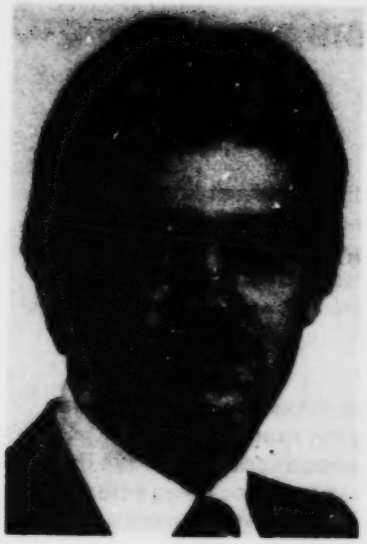
The Honourable F. W. Johnson
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to submit herewith the thirty-ninth Annual Report of the Saskatchewan Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 1983, pursuant to the provisions of Section 54 of The Liquor Board Superannuation Act.

Respectfully submitted,

George McLeod
Minister in Charge
Liquor Board
Superannuation Commission



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Minister in Charge
Liquor Board Superannuation Commission
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Respectfully submitted,

Allan L. Palmer
Chairman

The Liquor Board Superannuation Commission

Objectives

The Commission, which consists of three members appointed by the Lieutenant Governor in Council, is responsible for the administration of The Liquor Board Superannuation Act.

The primary objective of the Commission is to provide superannuation allowances to employees who retire and to the dependents of deceased superannuates and employees, in accordance with the Act.

Program and Activities — 1983

Contributions and Payments

During the calendar year ended December 31, 1983 employees' contributions to the superannuation plan amounted to $320,646. Employer contributions of $1,072,445 were made to the Plan.

Allowances paid during the year to superannuates, and to the spouses and children of deceased superannuates and employees, amounted to $1,473,479.

Refunds of contributions and interest paid with respect to employees amounted to $2,020.

Retirements and Deaths

Fourteen employees retired during the year (see Appendix A) consisting of:

(a) 3 — Normal retirement at age 65

(b) 1 — Optional retirement with reduced pension after age 60 with minimum 15 years service

(c) 9 — Optional retirement after age 60 with minimum 20 years service

(d) 1 — Retirement due to disability

During the year five superannuates receiving an allowance died. A superannuation allowance was granted to the spouses of three deceased superannuates. In the other two deaths, there were no beneficiaries.

Legislation

The Liquor Board Superannuation Plan was amended during the year to provide supplementary allowances to increase the superannuation allowances being paid to superannuated employees, spouses and children effective May 1, 1983.

Administration

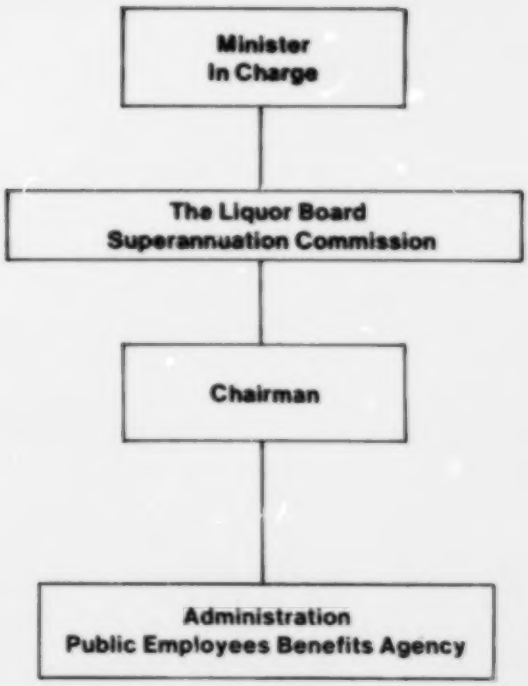
On January 1, 1983, the Public Employees Benefits Agency, a central agency which has responsibility for the operation, administration and management of several superannuation plans and other employee benefits programs was assigned the administration of the Liquor Board Superannuation Plan.

The Board extends its appreciation to the diligent staff of the Agency responsible for the day to day administration and accounting requirements of the Liquor Board Superannuation Plan and to employees of the Liquor Board for their co-operation and assistance during the year.

Liquor Board Superannuation Commission

Allan L. Palmer	**Chairman**
Martin P. Pederson	**Member**
Kenneth A. Cantin	**Member**

Organization Chart



Appendix "A"

The Liquor Board Superannuation Commission — 1983
Employees Retired Having Attained the Age of Retirement — Age 65

Name	Position	Effective Date
Kilgus, Agenor	Asst. Vendor II	August 1, 1983
Scott, Walter J.	L. S. Clerk III	October 1, 1983
Stecyk, Henry	Machine Operator	November 1, 1983

Employees Retired at Their Option After 60 — Reduced Allowance

Name	Position	Effective Date
Jacobson, Gordon	Clerk I	August 2, 1983

Employees Retired at Their Option After 60 — No Reduction

Name	Position	Effective Date
Deane, Joseph D.	Asst. to Chairman	October 1, 1983
Froh, Joseph N.	Chief Inspector	November 1, 1983
Holder, Gordon	L. S. Vendor IVA	January 9, 1983
Johnstone, Raymond J.	L. S. Vendor I	September 18, 1983
Mohs, Vernon R.	Regional Supervisor	January 8, 1983
Myrol, Bernard K.	L. S. Vendor I	January 2, 1983
Prud'Homme, Joseph A.	Clerk I	July 16, 1983
Snider, Melville E.	L. S. Vendor III	April 24, 1983
Willaway, P. Phil C.	L. S. Vendor III	April 3, 1983

Employees Retired on the Grounds of Ill Health

Name	Position	Effective Date
Richardson, Ray Donald	L. S. Clerk I	November 1, 1983

Deceased Superannuates and Spouses

Name	Date of Death	Age at Death
Baird, Dorrance	September 26, 1983	76
Cope, William A.	September 9, 1983	88
Loomis, Douglas P.	November 18, 1983	67
Meggeson, George R.	July 25, 1983	82
Smith, John S.	April 12, 1983	79

Table 1 Allowances Granted to Employees

	Salary [a]	Age	Years of Service	Annual Allowance
1.	2,272.00	64	42.847	19,748.04
2.	1,651.00	65	18.479	4,398.20
3.	3,420.00	62	22.567	17,752.56
4.	1,651.00	56	16.353	5,352.84
5.	2,455.00	63	39.523	19,551.36
6.	1,992.00	65	30.797	9,313.98
7.	1,651.00	60	35.036	15,939.36
8.	3,016.62	62	25.02	16,785.24
9.	1,801.00	65	21.597	6,205.99
10.	4,084.62	62	41.644	31,958.64
11.	1,884.00	62	22.09	10,994.16
12.	1,884.00	60	33.83	15,767.88
13.	1,992.00	61	19.699	7,384.98
14.	2,141.00	62	35.54	18,270.00

(a) based on a 4 week period.

Table II Allowances Granted to Spouses of Deceased Superannuates

Annual Allowance of Deceased Superannuate	Annual Allowance Payable to Spouse	Effective Date
8,712.00	5,227.20	October 1, 1983
5,447.04	3,268.22	August 1, 1983
10,059.00	7,746.88	December 1, 1983

Saskatchewan
Liquor Board
Superannuation
Board

Financial Statements

Year Ended December 31, 1983

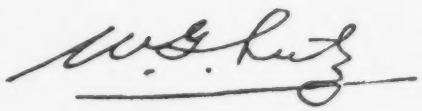
Saskatchewan Liquor Board Superannuation Board

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of Liquor Board Superannuation Fund as at December 31, 1983 and the statements of revenue, expenditure and superannuation reserve, employees' contributions, and receipts and disbursements for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at December 31, 1983 and the results of its transactions for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
March 20, 1984.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1

Liquor Board Superannuation Fund
Balance Sheet

December 31, 1983
(with comparative figures for the previous year)

	1983	1982
Assets		
Cash	$ 14,533	$ 13,422
Accounts receivable — employer contributions	80,003	278,095
— employee contributions	20,882	19,423
— other	759	780
Investments (Schedule 1)	7,923,194	6,553,539
Accrued interest	130,283	111,023
	$ 8,169,654	$ 6,976,282
Liabilities and Fund Equity		
Accounts payable	$ 1,537	$ 6,764
Fund equity:		
Contributions to the credit of employees:		
Superannuation (Statement 3)	2,352,304	2,242,837
Employees' savings account (Statement 3)	—	69
Superannuation reserve (Statement 2)	5,815,813	4,726,612
	8,168,117	6,969,518
	$ 8,169,654	$ 6,976,282

(See accompanying notes to the financial statements)

Statement 2

Liquor Board Superannuation Fund
Statement of Revenue, Expenditure and Superannuation Reserve

Year Ended December 31, 1983
(with comparative figures for the previous year)

	1983	1982
Revenue:		
Contributions from Liquor Licensing Commission (Note 2)	$ 22,844	$ 87,748
Contributions from Liquor Board (Note 2)	1,049,601	994,170
Contributions of employees who have superannuated or died		
Employees' contributions	240,950	204,081
Employees' savings account	69	—
Interest revenue	810,209	697,385
Gain on sale of investments	441,037	—
	2,564,710	1,983,384
Expenditure:		
Contributions returned	1,176	—
Superannuation allowances	1,473,479	1,256,452
Interest on refund of contributions	854	376
Transfers to other plans	—	7,153
Refund of contributions — Employees' savings	—	17,935
Lump sum payments to estates	—	12,741
Loss on sale of investments	—	114,634
	1,475,509	1,409,291
Excess of revenue over expenditure	1,089,201	574,093
Superannuation reserve, beginning of year	4,726,612	4,152,519
Superannuation reserve, end of year (to Statement 1)	$ 5,815,813	$ 4,726,612

(See accompanying notes to the financial statements)

Statement 3

Liquor Board Superannuation Fund
Statement of Employees' Contributions

Year Ended December 31, 1983
(with comparative figures for the previous year)

	1983	1982
Superannuation		
Balance, beginning of year	$ 2,242,837	$ 2,098,981
Add:		
Transfers from other plans	33,082	20,953
Contributions for the year	320,646	323,841
	2,596,565	2,443,775
Deduct:		
Transfers to other plans	2,948	—
Refund of Contributions	363	3,061
Contributions of employees who have superannuated or died transferred to superannuation reserve	240,950	197,877
	244,261	200,938
Balance, end of year (to Statement 1)	$ 2,352,304	$ 2,242,837
Employees' Savings Account		
Balance, beginning of year	$ 69	$ 6,228
Contributions for the year	—	45
Payment to employee retiring	—	(6,204)
Contributions of employee who has superannuated transferred to reserve	(69)	—
Balance, end of year (to Statement 1)	$ —	$ 69

(See accompanying notes to the financial statements)

Statement 4

Liquor Board Superannuation Fund
Statement of Receipts and Disbursements

Year Ended December 31, 1983
(with comparative figures for the previous year)

	1983	1982
Receipts:		
Contributions by employees		
— Transfers from other plans	$ 33,082	$ 20,953
— Superannuation	319,187	329,598
— Employees' Savings Account	—	45
Contributions by the Liquor Board	1,220,566	1,077,814
Contributions by the Liquor Licensing Commission	49,970	79,574
Interest received	778,423	694,417
Proceeds from maturities and sales of investments	9,921,827	8,295,186
Recovery from Saskatchewan Liquor Board	780	1,125
	12,323,835	10,498,712
Cash, beginning of year	13,422	25,140
	$12,337,257	$10,523,852
Disbursements:		
Repayments of contribution	$ 1,176	$ —
Superannuate payroll deductions	6,764	—
Superannuation allowance payments	1,471,941	1,256,452
Cost of living bonus	759	759
Transfers to other plans	2,948	7,153
Refund of contributions		
— Superannuation	363	3,061
— Employee Savings Account	—	17,935
Interest on refund of contributions	854	376
Lump sum payments to estates	—	12,741
Investments purchased — at cost	10,837,919	9,211,933
Bank service charges	—	20
	12,322,724	10,510,430
Cash, end of year	14,533	13,422
	$12,337,257	$10,523,852

(See accompanying notes to the financial statements)

Liquor Board Superannuation Fund

Notes to Financial Statements

Year Ended December 31, 1983

1. Accounting Policies

a) Investments of the fund are recorded at cost. Discounts and premiums on purchase are amortized on a straight-line basis over the life of the investments.

b) The Superannuation Reserve represents the balance of all amounts contributed by former employees who themselves or whose beneficiaries are receiving allowances, all amounts contributed by the two employers and all interest earned and gains or losses realized on the Fund's investments, reduced by allowances paid to superannuates and interest on contributions refunded to employees who have resigned.

c) Contributions by the employers are determined by applying a predetermined rate to the employees' contributions. Contributions not received by December 31 are accrued in the accounts.

2. Fund contributions

The fund is established under the Liquor Board Superannuation Act. Employees of the Saskatchewan Liquor Board and Liquor Licensing Commission contribute to the fund. The employers remit an amount based upon the predetermined rate of contribution together with the employee contributions. Effective October 1, 1977 all new provincial government employees, including new employees of The Saskatchewan Liquor Board and Liquor Licensing Commission and employees who elected to transfer before October 1, 1978 are covered by The Public Employees' (Government Contributory) Superannuation Plan.

3. Unfunded liability

Based on the latest actuarial valuation of the Saskatchewan Liquor Board Superannuation Plan, it is estimated that on December 31, 1981 the fund had an unfunded liability for past service benefits of $15,205,245. The Saskatchewan Liquor Board is obligated to furnish monies in any amount which may be necessary to meet any deficiency arising by reason of there being insufficient monies in the fund to meet retirement benefits and withdrawals.

Schedule 1

Liquor Board Superannuation Fund
Schedule of Investments

December 31, 1983
(with comparative figures for the previous year)

	1983	1982
Bonds		
Government of Canada	$ 322,530	$ 342,357
Province of Saskatchewan	1,304,858	1,339,506
Other provincial and provincially guaranteed	277,715	663,324
Municipal	—	5,989
School units and districts	28,901	28,860
Corporate	2,417,284	2,044,803
	4,351,288	4,424,839
Mortgages		
Co-operative Trust Company	248,615	248,995
Morguard Trust Company	218,155	219,428
Shares	1,422,467	1,286,852
Short-term Investments	1,682,669	373,425
Total Investments (to Statement 1)	$ 7,923,194	$ 6,553,539

Bonds and shares had a quoted market value of $5,965,082 on December 31, 1983 (1982 — $5,724,174). Short-term investments are valued at cost which approximates quoted market. Since the mortgages are not publicly traded their market value has not been determined.

(See accompanying notes to the financial statements)

Schedule 2

Liquor Board Superannuation Fund
Schedule of Investment Transactions

Year Ended December 31, 1983

Bonds and Debentures

Purchased	Maturity Date	Interest Rate	Cost	# Yield	Par Value
Province of Saskatchewan	December 1, 2002	13.00	$ 88,875.00	13.17	$ 90,000
Manalta Coal Limited	May 18, 2003	12.75	150,000.00	12.75	150,000
Norcen Energy Resources	December 19, 2003	13.25	200,000.00	13.25	200,000
Molson Consolidated Convertibles	October 1, 2000	8.50	374,500.00	7.943	350,000
Victoria & Grey Trust	July 13, 1988	12.125	500,000.00	12.125	500,000
			$1,313,375.00		$ 1,290,000

Sold or Matured	Maturity Date	Interest Rate	Received	Book Value	Par Value
Government of Canada	February 1, 1983	8.25	$ 20,000.00	$ 20,000.00	$ 20,000
Province of Saskatchewan	January 15, 1984	5.50	14,668.50	14,966.10	15,000
Province of Saskatchewan	March 1, 1987	6.00	8,708.00	9,951.40	10,000
Province of Saskatchewan	August 15, 1988	7.25	73,304.00	83,570.12	85,000
Province of Saskatchewan	December 1, 1990	8.75	68,160.00	81,950.54	80,000
Province of Saskatchewan	September 1, 1983	5.00	39,608.00	40,000.00	40,000
Province of Saskatchewan	December 2, 1999	10.00	42,645.00	49,520.00	50,000
Alberta Municipal Finance	March 15, 1993	7.25	18,812.50	24,920.30	25,000
Ontario Hydro	February 1, 1997	7.375	89,212.50	127,359.40	130,000
Quebec Hydro	February 1, 1990	6.50	19,307.50	24,795.56	25,000
Province of New Brunswick	November 15, 1991	6.25	18,110.00	24,500.51	25,000
Province of New Brunswick	February 15, 1992	6.50	29,360.00	39,914.59	40,000
Province of Ontario	December 1, 1997	7.75	53,827.50	74,468.75	75,000
Province of Quebec	June 1, 1983	6.00	50,000.00	50,000.00	50,000
Village of Buchanan	September 1, 1983	6.00	3,000.00	3,000.00	3,000
Village of Maryfield	October 1, 1983	6.00	3,000.00	3,000.00	3,000
CIBC certificate of Deposit	April 17, 1985	14.75	528,100.00	500,000.00	500,000
Pacific Great Eastern Railway	June 1, 1991	5.75	18,612.50	24,698.56	25,000
Molson Consolidated Convertibles	October 1, 2000	8.50	242,000.00	161,836.00	200,000
Northern and Central Gas Corporation	March 1, 1995	11.25	38,351.40	41,000.00	41,000
			$1,378,787.40	$1,399,452.43	$ 1,442,000

Net decrease in Bonds and Debentures at Par Value ($1,442,000-$1,290,000)	$ (152,000)
ADD: Total as at December 31, 1982 at Par Value	4,763,000
Total Bonds and Debentures (Par Value) December 31, 1983	4,611,000
LESS: Unamortized Discount	259,712
Total Bonds and Debentures (at amortized cost) December 31, 1983	4,351,288
Total Bonds and Debentures (at amortized cost) December 31, 1982	4,424,839
Net decrease in Bonds and Debentures at amortized cost	$ (73,551)

Saskatchewan Liquor Board Superannuation Board

Insured Mortgages at Cost — Transactions

During the Year 1983	**Interest Rate**	**Purchased**	**Disposed**	**Net**
Morguard Trust — John Remai	10.25	$ —	$ 1,273	$ (1,273)
Co-op Trust — Trafalgar Housing Co-op	21.00	—	380	(380)
Totals		**$ —**	**$ 1,653**	**$ (1,653)**

Corporate Shares at Cost — Transactions

During the Year 1983	**Shares**	**Purchased**	**Disposed**	**Net**
Norton-Simon	5,500	$ —	$ 101,473	$ (101,473)
Eli Lilly & Company	3,000	230,398	—	230,398
Imasco Limited	5,000	—	185,000	(185,000)
Shell Canada "A"	10,000	261,250	—	261,250
Bell Canada	18,000	—	375,760	(375,760)
Imasco Limited	10,000	306,200	—	306,200
Totals		**$ 797,848**	**$ 662,233**	**$ 135,615**

Short Term Investments	**Purchased**	**Disposed**	**Net**
Transactions during year	$ 8,726,696	$ 7,417,452	$ 1,309,244

Summary of Investment Transactions (At Cost)	**Net Increase**
Bonds and Debentures (at amortized cost)	$ (73,551)
Insured Mortgages	(1,653)
Corporate Shares	135,615
Short Term	1,309,244
Total Investment Transactions	1,369,655
Investments, beginning of year (at cost)	6,553,539
Investments, end of year (at cost)	$ 7,923,194